

EXHIBIT Q

HURWITZ & FINE, P.C.
ATTORNEYS AT LAW

Scott D. Storm
sds@hurwitzfine.com

July 8, 2021

Nicholas P. DeMarco, Esq.
The Tarantino Law Firm, LLP
Rand Building
14 Lafayette Square, Suite 1500
Buffalo, N.Y. 14203

RE:	Policyholders	:	Patrick Francabandiero and Kimberly Francabandiero
	Claim No.	:	200204558
	Policy No.	:	2005970638
	Loss Date	:	June 3, 2020
	Our File No.	:	20210628

Dear Mr. DeMarco:

Enclosed is a flash drive that contains correspondence between your clients and National General and a copy of the insurance policy.

Very truly yours,

HURWITZ & FINE, P.C.



Scott D. Storm

SDS:dam
Enclosure – flash drive

cc: National General Insurance Company



**NatGen
PREMIER**

PO Box 3199 • Winston Salem, NC 27102-3199

Kimberly Francabandiero
Patrick Francabandiero
50 Tudor Pl
Buffalo, NY 14222-1616

Policy Number:

2005970638

Named Insured:

**KIMBERLY FRANCA BANDIERO
PATRICK FRANCA BANDIERO
patf@phxllc.com**

Policy Period:

12/30/2018 - 12/30/2019

12:01 AM

Date of Notice:

11/26/2018

Policy Underwritten By:

National General Insurance Company

24 Hour Claim Reporting: 844-287-2236

For Policy Information: 844-287-2237

NatGenPremier.com

9305201

Briceland Agency Inc
6633 Main Street
Buffalo NY 14221
(716) 631-8800

ONECHOICE CUSTOM-PAC POLICY DECLARATIONS

**Transaction
RENEWAL**

**Payment Plan
DIRECT BILL - 10 - PAY**

Dear Policyholder,

BRICELAND AGENCY INC and NATIONAL GENERAL INSURANCE are pleased to present you with your OneChoice package Renewal insurance policy.

In the event of a loss, call our toll-free number 844-287-2236 for 24-hour claim reporting. Our dedicated professionals are ready to help 24 hours a day, seven days a week.

Thank you for letting us be of service and if you have any questions, please contact Briceland Agency Inc at (716) 631-8800.

MESSAGES

PLEASE REFER TO THE "IMPORTANT NOTICES" SECTION OF THIS POLICY FOR IMPORTANT INFORMATION CONCERNING THIS POLICY.

Your Coverage C Limit has been increased at no additional charge.

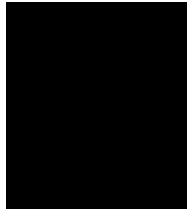
To keep pace with rising replacement costs, your property coverage limits have been upgraded.

**TOTAL SURCHARGE AMOUNT
\$341**

National General Insurance uses MuellerCalc, based on copyrighted construction estimating from Craftsman Book Company, and Marshall&Swift/Boeckh Residential Component Technology methodology for estimating the replacement cost of a dwelling.

POLICY PREMIUM SUMMARY

Automobile Premium
 Homeowners Premium
 Umbrella Premium
Total Package Policy Premium
 Motor Vehicle Law Enforcement Fee
Total



**Insurers are required to charge and collect a \$10.00 Motor Vehicle Law Enforcement Fee annually for every registered vehicle insured on a policy issued or delivered in the state of New York.*

BASIC PACKAGE POLICY COVERAGES & LIMITS

COVERAGES	LIMITS OF LIABILITY	
AUTOMOBILE		
Bodily Injury (BI)	\$500,000 Each Person	\$500,000 Each Accident
Property Damage (PD)	\$100,000 Each Accident	
Medical Payments	\$10,000 Each Person	
Personal Injury Protection	SEE NO-FAULT SECTION FOR COVERAGE DETAILS	
Supplemental Uninsured/Underinsured Motorist (SUM)	\$500,000 Each Person	\$500,000 Each Accident
	(*SEE MESSAGE)	
Underinsured Motorist (UM)	INCLUDED IN SUPPLEMENTARY	
	UNINSURED/UNDERINSURED MOTORISTS COVERAGE	

*THE MAXIMUM AMOUNT PAYABLE UNDER THE SUM COVERAGE SHALL BE THE POLICY SUM LIMITS, REDUCED AND THUS OFFSET BY THE MOTOR VEHICLE BODILY INJURY LIABILITY INSURANCE POLICY OR BOND PAYMENTS RECEIVED FROM, OR ON BEHALF OF, ANY NEGLIGENT PARTY INVOLVED IN THE ACCIDENT, AS SPECIFIED IN THE SUM ENDORSEMENT

HOMEOWNERS	
Coverage A* Dwelling	\$4,281,620
Coverage B * Other Structures	\$428,162
Coverage C * Personal Property	\$1,712,648
Coverage D* Loss of Use	Reasonable
Coverage E Liability	\$500,000
Coverage F Medical Payments	\$5,000

* Your combined Coverage A-C limit is \$6,422,430.00

PERSONAL UMBRELLA	\$5,000,000 In Excess of Retained Limit
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Please refer to the following coverage sections for detailed information on vehicles, operators, property covered and deductibles

ATTACHMENTS

The following Forms, Endorsements and Exceptions to Conditions are part of this policy at the time of issuance. Please read them carefully.

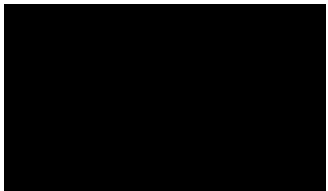
FORM NO.	EDITION DATE	TITLE
HO 3000	01 06	HOMEOWNERS SPECIAL FORM

SH DC 02 (01 04)

PP0001	06 98	PERSONAL AUTO POLICY
HO 04 90	10 00	PERSONAL PROPERTY REPLACEMENT COST LOSS SETTLEMENT
HO 24 86	10 02	PERSONAL INJURY - NEW YORK
HO 24 93	05 02	WORKERS' COMPENSATION CERTAIN RESIDENCE EMPLOYEES - NEW YORK
PP 13 01	12 99	COVERAGE FOR DAMAGE TO YOUR AUTO EXCLUSION ENDORSEMENT
SA 00 83	10 09	ONECHOICE CUSTOMPAC AMENDATORY ENDORSEMENT - NEW YORK
SA 00 87	01 12	FULL COVERAGE WINDSHIELD REPAIR - NEW YORK
SH 01 31	08 12	SPECIAL PROVISIONS - NEW YORK
SH 06 01	01 05	IDENTITY THEFT RESOLUTION ASSISTANCE
SH 24 51	08 06	LEAD LIABILITY EXCLUSION - NEW YORK
G13988	05 04	MEDICAL PAYMENTS COVERAGE AMENDATORY ENDORSEMENT - NEW YORK
HO 04 16	10 00	PREMISES ALARM OR FIRE PROTECTION SYSTEM
PP 03 65	08 86	FULL COVERAGE WINDOW GLASS - NEW YORK
PP 04 09	12 00	SUPPLEMENTARY UNINSURED/UNDERINSURED MOTORISTS ENDORSEMENT - NEW YORK
PP 05 93	11 91	OPTIONAL BASIC ECONOMIC LOSS COVERAGE - NEW YORK
SH 00 15	01 06	SPECIAL PERSONAL PROPERTY COVERAGE FORM HO 3000 ONLY
SH 04 59	10 12	IDENTITY FRAUD EXPENSE COVERAGE
SH 05 68	12 10	EQUIPMENT BREAKDOWN COVERAGE
SH 06 02	03 16	SERVICE LINE COVERAGE ENDORSEMENT
SR 00 42	05 18	PREMIER CUSTOMPAC ENDORSEMENT - NEW YORK
SU 00 14	06 15	PREMIER UMBRELLA AMENDATORY ENDORSEMENT - NEW YORK
PA 01 79	04 18	AMENDMENT OF POLICY PROVISIONS - NEW YORK
PP 03 46	07 18	RENTAL VEHICLE COVERAGE ENDORSEMENT - NEW YORK
PP 04 09	07 18	SUPPLEMENTARY UNINSURED/UNDERINSURED MOTORISTS ENDORSEMENT - NEW YORK
PP 05 87	07 18	PERSONAL INJURY PROTECTION COVERAGE - NEW YORK
PP 05 88	07 18	ADDITIONAL PERSONAL INJURY PROTECTION COVERAGE - NEW YORK
SU 00 11	06 15	PREMIER UMBRELLA ENDORSEMENT

AUTOMOBILE INFORMATION

NO FAULT COVERAGES

COVERAGES	LIMIT	PREMIUM
Basic Personal Injury Protection (PIP)	\$50,000	
Optional Basic Economic Loss (OBEL)	\$25,000	
Additional Personal Injury Protection (APIP)	\$100,000	
Aggregate No-Fault Benefits Available	\$175,000	
Maximum Monthly Work Loss	\$4,000	
Other Necessary Expenses (Per Day)	\$50	
Death Benefit	\$2,000	
Additional Death Benefit	\$3,000	

YOUR COVERED VEHICLE 1 - 2015 MERZ GLK 350 4MATIC

VEHICLE TYPE	USAGE	IDENTIFICATION NO.	TERRITORY	Vehicle Segmentation
Truck	Commuting Mid 4-14 miles	WDCGG8JB8FG440468	132	Compact Luxury CUV

PRIMARY GARAGE LOCATION

50 Tudor Pl
Buffalo, NY 14222-1616

RATED OPERATOR

Kimberly Francabandiero

COVERAGES:

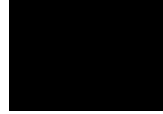
Damage to your Auto-Collision
Damage to your Auto-Other Than Collision
Full Safety Glass Coverage

LIMIT

A.C.V.
A.C.V.

DEDUCTIBLE

\$1,000
\$500

PREMIUM

A.C.V. Means "Actual Cash Value"

YOUR COVERED VEHICLE 2 - 2016 MERZ S 550**VEHICLE TYPE**

Automobile

USAGE

Pleasure

IDENTIFICATION NO.

WDDXJ8FB1GA014261

TERRITORY

132

Vehicle Segmentation

Luxury Sport

PRIMARY GARAGE LOCATION

50 Tudor Pl
Buffalo, NY 14222-1616

RATED OPERATOR

Patrick Francabandiero

COVERAGES:

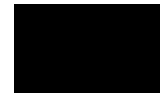
Damage to your Auto-Collision
Damage to your Auto-Other Than Collision
Full Safety Glass Coverage

LIMIT

A.C.V.
A.C.V.

DEDUCTIBLE

\$1,000
\$500

PREMIUM

A.C.V. Means "Actual Cash Value"

YOUR COVERED VEHICLE 3 - 2004 JEEP WRANGLER X**VEHICLE TYPE**

Truck

USAGE

Pleasure

IDENTIFICATION NO.

1J4FA39S04P796642

TERRITORY

132

Vehicle Segmentation

Compact Non-Lux SUV

PRIMARY GARAGE LOCATION

50 Tudor Pl
Buffalo, NY 14222-1616

RATED OPERATOR

Jackson Francabandiero

COVERAGES:

Damage to your Auto-Collision
Damage to your Auto-Other Than Collision
Full Safety Glass Coverage

LIMIT

A.C.V.
A.C.V.

DEDUCTIBLE

\$1,000
\$500

PREMIUM

A.C.V. Means "Actual Cash Value"

OPERATORS (O), NON-OPERATORS (N) AND EXCLUDED OPERATORS (E)

OPER (O/N/E)	DATE OF BIRTH	SEX (M/F)	MARITAL STATUS	LICENSE INFORMATION			CREDITS AND DISCOUNTS		
				STATE	NUMBER	FIRST LIC.	GOOD STU	DRV TRN	ACC. PREV DATE
OPER NO.: 1 of 3 O	xx/xx/1966	F	M	NY	xxxxx8018		N	N	
OPER NO.: 2 of 3 O	xx/xx/1962	M	M	NY	xxxxx8796		N	N	
OPER NO.: 3 of 3 O	xx/xx/2000	M	S	NY	xxxxx3592		Y	N	

DISCOUNTS

	DRIVER	VEHICLE	DISCOUNT AMT.
5 Year Clean Discount	2		\$416
Good Student Discount	3		\$236
Core Discount - Homeownership/Multi Car		ALL	\$1,862
Package Discount		ALL	\$1,241
Air Bag Discount		ALL	\$38
Anti-Lock Brakes		ALL	\$244
Electronic Stability Control Discount		1, 2	\$536
Running Lights		2, 1	\$80
Security System Discount		2, 1	\$85

AUTOMOBILE PREMIUM INFORMATION

COVERAGE	VEH #1 PREM	VEH #2 PREM	VEH #3 PREM	VEH #4 PREM	VEH #5 PREM
Bodily Injury (BI)					
Property Damage (PD)					
Medical Payments					
Damage to your Auto-Other Than Collision					
Damage to your Auto-Collision					
Optional Basic Economic Loss (OBEL)					
Basic Personal Injury Protection (PIP)					
Additional Personal Injury Protection (APIP)					
Supplemental Uninsured/Underinsured Motorist (SUM)					
Total Vehicle Premium:					

AUTOMOBILE PREMIUM

TOTAL AUTOMOBILE PREMIUM**AUTOMOBILE RATING DATA**

RATING TIER	RATING DATE	RISK STATE
10	11/25/2018	NY

ACCIDENTS AND CONVICTIONS

OP NO	CODE	USED IN RATING	DATE	OP NO	CODE	USED IN RATING	DATE	OP NO	CODE	USED IN RATING	DATE
1	AN	Y	2/16/2016								

HOMEOWNERS INFORMATION**INSURED PREMISES AND DEDUCTIBLES**

RESIDENCE PREMISES
50 TUDOR PL
BUFFALO, NY 14222-1616

SECTION I DEDUCTIBLE

We will pay only that part of the total of all loss and expense payable under Section I that exceeds: \$ 10,000

ADDITIONAL COVERAGES

Equipment Breakdown Coverage Limit: \$50,000
Deductible:

Addl Percentage of Ins for Cov A

Service Line Coverage
Limit: \$20,000

If you have chosen the Scheduled Personal Property Endorsement, please refer to that section which appears at the end of these policy declarations.

HOMEOWNERS PREMIUM INFORMATION

BASIC PREMIUM
ADDITIONAL COVERAGES
UMBRELLA

TOTAL HOMEOWNERS PREMIUM

POLICY CREDITS

Included in the above premium are the following credits:

Protective Device Discount

Account Discount

Multi-Line Discount

Insurance To Value Discount

Prime Time Discount

RATING INFORMATION

RISK STATE NY	RATE TIER 2	OCCUPANCY PRIMARY	TERRITORY 67	FAMILIES 1	CONSTRUCTION MASONRY	YEAR BUILT 1910
FEET TO HYDRANT 0 -500	MILES TO STATION 0-5		PROTECTION CLASS 3	BUILDING CODE GRADING 99		ROOF TYPE Asphalt or Composition Shingle
SOLID FUEL STOVE N	TAX CODE		RATING DATE 11-25-2018			

ONECHOICE UMBRELLA LIABILITY ENDORSEMENT

Limit of Liability: \$ 5,000,000

Uninsured Motorist Coverage Bodily Injury: \$ 1,000,000

Other Underlying Insurance Not Included In This Package:

TYPE: Recreational Vehicle
 POLICY NUMBER: TBD
 LIMITS: BODILY INJURY
 LIMITS: PROPERTY DAMAGE
 VEHICLE:

COMPANY - Progressive Group
 POLICY PERIOD - 12/15/2017 TO 12/15/2018
 \$500,000 EACH PERSON \$500,000 EACH ACCIDENT
 \$100,000 EACH ACCIDENT
 2014 harley davidson fxs103

MINIMUM REQUIRED UNDERLYING LIMITS OF LIABILITY

Line of Business	Minimum Required Underlying Limit
Automobile Liability including licensed recreational vehicles (and Underinsured Motorist Coverage where applicable)	\$250,000 Bodily Injury per person \$500,000 per accident and \$100,000 Property Damage <u>or</u> \$300,000 Combined Single Limit
Homeowners Liability including unlicensed recreational vehicles	\$300,000
Watercraft Liability	\$250,000 Bodily Injury per person \$500,000 per accident and \$100,000 Property Damage <u>or</u> \$300,000
All other types of Liability exposures	\$300,000

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IMPORTANT NOTICES

HO 3000 01 06

HOMEOWNERS SPECIAL FORM**AGREEMENT**

We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy.

DEFINITIONS

A. In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse if a resident of the same household. "We", "us" and "our" refer to the Company providing this insurance.

B. In addition, certain words and phrases are defined as follows:

1. "Aircraft Liability", "Hovercraft Liability", "Motor Vehicle Liability" and "Watercraft Liability", subject to the provisions in b. below, mean the following:

a. Liability for "bodily injury" or "property damage" arising out of the:

- (1) Ownership of such vehicle or craft by an "insured";
- (2) Maintenance, occupancy, operation, use, loading or unloading of such vehicle or craft by any person;
- (3) Entrustment of such vehicle or craft by an "insured" to any person;
- (4) Failure to supervise or negligent supervision of any person involving such vehicle or craft by an "insured"; or
- (5) Vicarious liability, whether or not imposed by law, for the actions of a child or minor involving such vehicle or craft.

b. For the purpose of this definition:

- (1) Aircraft means any contrivance used or designed for flight except model or hobby aircraft not used or designed to carry people or cargo;
- (2) Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;
- (3) Watercraft means a craft principally designed to be propelled on or in water by wind, engine power or electric motor; and
- (4) Motor vehicle means a "motor vehicle" as defined in 7. below.

2. "Bodily injury" means bodily harm, sickness or disease, including required care, loss of services and death that results.

3. "Business" means:

- a. A trade, profession or occupation engaged in on a full-time, part-time or occasional basis; or
- b. Any other activity engaged in for money or

other compensation, except the following:

- (1) One or more activities, not described in (2) through (4) below, for which no "insured" receives more than \$2,000 in total compensation for the 12 months before the beginning of the policy period;
- (2) Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;
- (3) Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or
- (4) The rendering of home day care services to a relative of an "insured".

4. "Employee" means an employee of an "insured", or an employee leased to an "insured" by a labor leasing firm under an agreement between an "insured" and the labor leasing firm, whose duties are other than those performed by a "residence employee".

5. "Insured" means:

a. You and residents of your household who are:

- (1) Your relatives; or
- (2) Other persons under the age of 21 and in the care of any person described in a.(1) of this provision;

b. Under Section II:

(1) With respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or watercraft which are owned by you or any person included in a. or b. above. "Insured" does not mean a person or organization using or having custody of these animals or watercraft in the course of any "business" or without consent of the owner; or

(2) With respect to a "motor vehicle" to which this policy applies:

(a) Persons while engaged in your employ or that of any person included in a. or b. above; or

(b) Other persons using the vehicle on an "insured location" with your consent.

Under both Sections I and II, when the word an immediately precedes the word "insured", the words an "insured" together mean one or more "insureds".

6. "Insured location" means:

a. The "residence premises";

- b. The part of other premises, other structures and grounds used by you as a residence; and
 - (1) Which is shown in the Declarations; or
 - (2) Which is acquired by you during the policy period for your use as a residence;
 - c. Any premises used by you in connection with a premises described in a. and b. above;
 - d. Any part of a premises:
 - (1) Not owned by an "insured"; and
 - (2) Where an "insured" is temporarily residing;
 - e. Vacant land, other than farm land, owned by or rented to an "insured";
 - f. Land owned by or rented to an "insured" on which a one or two family dwelling is being built as a residence for an "insured";
 - g. Individual or family cemetery plots or burial vaults of an "insured"; or
 - h. Any part of a premises occasionally rented to an "insured" for other than "business" use.
7. "Motor vehicle" means:
- a. A self-propelled land or amphibious vehicle; or
 - b. Any trailer or semi-trailer which is being carried on, towed by or hitched for towing by a vehicle described in a. above.
8. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results, during the policy period, in:
- a. "Bodily injury"; or
 - b. "Property damage".
9. "Property damage" means physical injury to, destruction of, or loss of use of tangible property.
10. "Residence employee" means:
- a. An employee of an "insured", or an employee leased to an "insured" by a labor leasing firm, under an agreement between an "insured" and the labor leasing firm, whose duties are related to the maintenance or use of the "residence premises", including household or domestic services; or
 - b. One who performs similar duties elsewhere not related to the "business" of an "insured".
- A "residence employee" does not include a temporary employee who is furnished to an "insured" to substitute for a permanent "residence employee" on leave or to meet seasonal or short-term workload conditions.
11. "Residence premises" means:
- a. The one family dwelling where you reside;
 - b. The two family dwelling where you reside in at least one of the family units; or

- c. That part of any other building where you reside; and which is shown as the "residence premises" in the Declarations.
- "Residence premises" also includes other structures and grounds at that location.

DEDUCTIBLE

Unless otherwise noted in this policy, the following deductible provision applies:

Subject to the policy limits that apply, we will pay only that part of the total of all loss payable under Section I that exceeds the deductible amount shown in the Declarations.

SECTION I – PROPERTY COVERAGES

A. Coverage A – Dwelling

1. We cover:

- a. The dwelling on the "residence premises" shown in the Declarations, including structures attached to the dwelling; and
- b. Materials and supplies located on or next to the "residence premises" used to construct, alter or repair the dwelling or other structures on the "residence premises".

2. We do not cover land, including land on which the dwelling is located.

B. Coverage B – Other Structures

1. We cover other structures on the "residence premises" set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.

2. We do not cover:

- a. Land, including land on which the other structures are located;
- b. Other structures rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage;
- c. Other structures from which any "business" is conducted; or
- d. Other structures used to store "business" property. However, we do cover a structure that contains "business" property solely owned by an "insured" or a tenant of the dwelling provided that "business" property does not include gaseous or liquid fuel, other than fuel in a permanently installed fuel tank of a vehicle or craft parked or stored in the structure.

3. The limit of liability for this coverage will not be more than 10% of the limit of liability that applies to Coverage A. Use of this coverage does not reduce the Coverage A limit of liability.

C. Coverage C – Personal Property

Form No. HO 3000 01 08

Page No. 3 of 21

1. Covered Property

We cover personal property owned or used by an "insured" while it is anywhere in the world. After a loss and at your request, we will cover personal property owned by:

- a. Others while the property is on the part of the "residence premises" occupied by an "insured"; or
- b. A guest or a "residence employee", while the property is in any residence occupied by an "insured".

2. Limit For Property At Other Residences

Our limit of liability for personal property usually located at an "insured's" residence, other than the "residence premises", is 10% of the limit of liability for Coverage C, or \$1,000, whichever is greater. However, this limitation does not apply to personal property:

- a. Moved from the "residence premises" because it is being repaired, renovated or rebuilt and is not fit to live in or store property in; or
- b. In a newly acquired principal residence for 30 days from the time you begin to move the property there.

3. Special Limits Of Liability

The special limit for each category shown below is the total limit for each loss for all property in that category. These special limits do not increase the Coverage C limit of liability.

- a. \$200 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum other than platinumware, coins, medals, scrip, stored value cards and smart cards.
- b. \$1,000 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps. This dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.
This limit includes the cost to research, replace or restore the information from the lost or damaged material.
- c. \$1,000 on watercraft of all types, including their trailers, furnishings, equipment and outboard engines or motors.
- d. \$1,000 on trailers or semi-trailers not used with watercraft of all types.
- e. \$1,000 for loss by theft of jewelry, watches, furs, precious and semiprecious stones.
- f. \$500 for loss by theft of firearms.

- g. \$2,500 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware, platinumware, platinum-plated ware and pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter.

- h. \$2,500 on property, on the "residence premises", used primarily for "business" purposes.

- i. \$250 on property, away from the "residence premises", used primarily for "business" purposes. However, this limit does not apply to loss to electronic apparatus and other property described in Categories j. and k. below.

- j. \$1,000 on electronic apparatus and accessories, while in or upon a "motor vehicle", but only if the apparatus is equipped to be operated by power from the "motor vehicle's" electrical system while still capable of being operated by other power sources.

Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described in this Category j.

- k. \$1,000 on electronic apparatus and accessories used primarily for "business" while away from the "residence premises" and not in or upon a "motor vehicle". The apparatus must be equipped to be operated by power from the "motor vehicle's" electrical system while still capable of being operated by other power sources.

Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described in this Category k.

- l. \$5,000 on owned "computer equipment" located on the "residence premises" or at an "insured" student's residence. \$2,000 on owned "computer equipment" away from the "residence premises". "Computer equipment" means:

- (1) computer hardware, software, "media", operating systems or networks; and
- (2) other electronic parts, equipment or systems solely designed for use with or connected to equipment in (1) above.

"Media" means the storage device upon which software is stored. This includes blank cassette tapes or disks used solely with the computer or peripheral device. The "media" will be covered only up to its retail value, if pre-programmed, or the retail value of the "media" in blank or unexposed form, if blank or self-programmed.

- m. \$5,000 in the aggregate for loss by theft of

Form No. HO 3000 01 08

Page No. 4 of 21

trading cards, collectibles, comic books and figurines, including any of these that are part of a collection.

4. Property Not Covered

We do not cover:

- a. Articles separately described and specifically insured, regardless of the limit for which they are insured, in this or other insurance;
- b. Animals, birds or fish;
- c. "Motor vehicles".

(1) This includes:

- (a) Their accessories, equipment and parts; or
- (b) Electronic apparatus and accessories designed to be operated solely by power from the electrical system of the "motor vehicle". Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described above.

The exclusion of property described in (a) and (b) above applies only while such property is in or upon the "motor vehicle".

(2) We do cover "motor vehicles" not required to be registered for use on public roads or property which are:

- (a) Used solely to service an "insured's" residence; or
- (b) Designed to assist the handicapped;

- d. Aircraft meaning any contrivance used or designed for flight including any parts whether or not attached to the aircraft.

We do cover model or hobby aircraft not used or designed to carry people or cargo;

- e. Hovercraft and parts. Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;
- f. Property of roomers, boarders and other tenants, except property of roomers and boarders related to an "insured";
- g. Property in an apartment regularly rented or held for rental to others by an "insured", except as provided in E.10. Landlord's Furnishings under Section I – Property Coverages;
- h. Property rented or held for rental to others off the "residence premises";
- i. "Business" data, including such data stored in:
 - (1) Books of account, drawings or other paper records; or

(2) Computers and related equipment.

We do cover the cost of blank recording or storage media, and of prerecorded computer programs available on the retail market;

- j. Credit cards, electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds except as provided in E.6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money under Section I – Property Coverages; or

k. Water or steam.

D. Coverage D – Loss Of Use

The limit of liability for Coverage D is the total limit for the coverages in 1. Additional Living Expense, 2. Fair Rental Value and 3. Civil Authority Prohibits Use below.

1. Additional Living Expense

If a loss covered under Section I makes that part of the "residence premises" where you reside not fit to live in, we cover any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.

Payment will be for the shortest time required to repair or replace the damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

2. Fair Rental Value

If a loss covered under Section I makes that part of the "residence premises" rented to others or held for rental by you not fit to live in, we cover the fair rental value of such premises less any expenses that do not continue while it is not fit to live in.

Payment will be for the shortest time required to repair or replace such premises.

3. Civil Authority Prohibits Use

If a civil authority prohibits you from use of the "residence premises" as a result of direct damage to neighboring premises by a Peril Insured Against, we cover the loss as provided in 1. Additional Living Expense and 2. Fair Rental Value above for no more than two weeks.

4. Loss Or Expense Not Covered

We do not cover loss or expense due to cancellation of a lease or agreement.

The periods of time under 1. Additional Living Expense, 2. Fair Rental Value and 3. Civil Authority Prohibits Use above are not limited by expiration of this policy.

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E. Additional Coverages**1. Debris Removal**

- a. We will pay your reasonable expense for the removal of:

- (1) Debris of covered property if a Peril Insured Against that applies to the damaged property causes the loss; or
- (2) Ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

This expense is included in the limit of liability that applies to the damaged property. If the amount to be paid for the actual damage to the property plus the debris removal expense is more than the limit of liability for the damaged property, an additional 5% of that limit is available for such expense.

- b. We will also pay your reasonable expense, up to \$500, for the removal from the "residence premises" of:

- (1) Your tree(s) felled by the peril of Wind-storm or Hail or Weight of Ice, Snow or Sleet; or
- (2) A neighbor's tree(s) felled by a Peril Insured Against under Coverage C; provided the tree(s):
- (3) Damage(s) a covered structure; or
- (4) Does not damage a covered structure, but block(s) a ramp or other fixture designed to assist a handicapped person to enter or leave the dwelling building.

The \$500 limit is the most we will pay in any one loss regardless of the number of fallen trees. No more than \$500 of this limit will be paid for the removal of any one tree.

This coverage is additional insurance.

2. Reasonable Repairs

- a. We will pay the reasonable cost incurred by you for the necessary measures taken solely to protect covered property that is damaged by a Peril Insured Against from further damage.
- b. If the measures taken involve repair to other damaged property, we will only pay if that property is covered under this policy and the damage is caused by a Peril Insured Against. This coverage does not:
- (1) Increase the limit of liability that applies to the covered property; or
 - (2) Relieve you of your duties, in case of a loss to covered property, described in

B.4. under Section I – Conditions.**3. Trees, Shrubs And Other Plants**

We cover trees, shrubs, plants or lawns, on the "residence premises", for loss caused by the following Perils Insured Against:

- a. Fire or Lightning;
- b. Explosion;
- c. Riot or Civil Commotion;
- d. Aircraft;
- e. Vehicles not owned or operated by a resident of the "residence premises";
- f. Vandalism or Malicious Mischief; or
- g. Theft.

We will pay up to 5% of the limit of liability that applies to the dwelling for all trees, shrubs, plants or lawns. No more than \$500 of this limit will be paid for any one tree, shrub or plant. We do not cover property grown for "business" purposes.

This coverage is additional insurance.

4. Fire Department Service Charge

We will pay up to \$500 for your liability assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a Peril Insured Against. We do not cover fire department service charges if the property is located within the limits of the city, municipality or protection district furnishing the fire department response.

This coverage is additional insurance. No deductible applies to this coverage.

5. Property Removed

We insure covered property against direct loss from any cause while being removed from a premises endangered by a Peril Insured Against and for no more than 30 days while removed.

This coverage does not change the limit of liability that applies to the property being removed.

6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money

- a. We will pay up to \$500 for:

- (1) The legal obligation of an "insured" to pay because of the theft or unauthorized use of credit cards issued to or registered in an "insured's" name;
- (2) Loss resulting from theft or unauthorized use of an electronic fund transfer card or access device used for deposit, withdrawal or transfer of funds, issued to or registered in an "insured's" name;

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- (3) Loss to an "insured" caused by forgery or alteration of any check or negotiable instrument; and
- (4) Loss to an "insured" through acceptance in good faith of counterfeit United States or Canadian paper currency.

All loss resulting from a series of acts committed by any one person or in which any one person is concerned or implicated is considered to be one loss.

This coverage is additional insurance. No deductible applies to this coverage.

b. We do not cover:

- (1) Use of a credit card, electronic fund transfer card or access device:
 - (a) By a resident of your household;
 - (b) By a person who has been entrusted with either type of card or access device; or
 - (c) If an "insured" has not complied with all terms and conditions under which the cards are issued or the devices accessed; or
- (2) Loss arising out of "business" use or dishonesty of an "insured".

c. If the coverage in a. above applies, the following defense provisions also apply:

- (1) We may investigate and settle any claim or suit that we decide is appropriate. Our duty to defend a claim or suit ends when the amount we pay for the loss equals our limit of liability.
- (2) If a suit is brought against an "insured" for liability under a.(1) or (2) above, we will provide a defense at our expense by counsel of our choice.
- (3) We have the option to defend at our expense an "insured" or an "insured's" bank against any suit for the enforcement of payment under a.(3) above.

7. Loss Assessment

- a. We will pay up to \$1,000 for your share of loss assessment charged during the policy period against you, as owner or tenant of the "residence premises", by a corporation or association of property owners. The assessment must be made as a result of direct loss to property, owned by all members collectively, of the type that would be covered by this policy if owned by you, caused by a Peril Insured Against under Coverage A, other than:
 - (1) Earthquake; or

- (2) Land shock waves or tremors before, during or after a volcanic eruption.

The limit of \$1,000 is the most we will pay with respect to any one loss, regardless of the number of assessments. We will only apply one deductible, per unit, to the total amount of any one loss to the property described above, regardless of the number of assessments.

- b. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.
- c. Paragraph P. Policy Period under Section I – Conditions does not apply to this coverage.

This coverage is additional insurance.

8. Collapse

a. With respect to this Additional Coverage:

- (1) Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its current intended purpose.
- (2) A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse.
- (3) A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building.
- (4) A building or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

b. We insure for sudden and accidental direct physical loss to covered property involving collapse of a building or any part of a building if the collapse was caused by one or more of the following:

- (1) The Perils Insured Against named under Coverage C;
- (2) Decay that is hidden from view, unless the presence of such decay is known to an "insured" prior to collapse;
- (3) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an "insured" prior to collapse;
- (4) Weight of contents, equipment, animals or people;
- (5) Weight of rain which collects on a roof; or
- (6) Use of defective material or methods in

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construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

- c. Loss to an awning, fence, patio, deck, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under b.(2) through (6) above, unless the loss is a direct result of the collapse of a building or any part of a building.
- d. This coverage does not increase the limit of liability that applies to the damaged covered property.

9. Glass Or Safety Glazing Material

a. We cover:

- (1) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window;
- (2) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window when caused directly by earth movement; and
- (3) The direct physical loss to covered property caused solely by the pieces, fragments or splinters of broken glass or safety glazing material which is part of a building, storm door or storm window.

b. This coverage does not include loss:

- (1) To covered property which results because the glass or safety glazing material has been broken, except as provided in a.(3) above; or
- (2) On the "residence premises" if the dwelling has been vacant for more than 60 consecutive days immediately before the loss, except when the breakage results directly from earth movement as provided in a.(2) above. A dwelling being constructed is not considered vacant.

- c. This coverage does not increase the limit of liability that applies to the damaged property.

10. Landlord's Furnishings

We will pay up to \$2,500 for your appliances, carpeting and other household furnishings, in each apartment on the "residence premises" regularly rented or held for rental to others by an "insured", for loss caused by a Peril Insured Against in Coverage C, other than Theft.

This limit is the most we will pay in any one loss regardless of the number of appliances, carpeting or other household furnishings

involved in the loss.

This coverage does not increase the limit of liability applying to the damaged property.

11. Ordinance Or Law

- a. You may use up to 10% of the limit of liability that applies to Coverage A for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:

- (1) The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a Peril Insured Against;
- (2) The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a Peril Insured Against to another part of that covered building or other structure; or
- (3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a Peril Insured Against.

- b. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in a. above.

c. We do not cover:

- (1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
- (2) The costs to comply with any ordinance or law which requires any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants in or on any covered building or other structure.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This coverage is additional insurance.

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12. Grave Markers

We will pay up to \$1,000 for grave markers, including mausoleums, on or away from the "residence premises" for loss caused by a Peril Insured Against under Coverage C.

This coverage does not increase the limits of liability that apply to the damaged covered property.

SECTION I – PERILS INSURED AGAINST**A. Coverage A – Dwelling And Coverage B – Other Structures**

1. We insure against sudden and accidental direct physical loss to property described in Coverages A and B.
2. We do not insure, however, for loss:
 - a. Excluded under Section I – Exclusions;
 - b. Involving collapse, except as provided in E.8. Collapse under Section I – Property Coverages; or
 - c. Caused by:
 - (1) Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. This provision does not apply if you have used reasonable care to:
 - (a) Maintain heat in the building; or
 - (b) Shut off the water supply and drain all systems and appliances of water.

However, if the building is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply.

For purposes of this provision a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment;
 - (2) Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:
 - (a) Fence, pavement, patio or swimming pool;
 - (b) Footing, foundation, bulkhead, wall, or any other structure or device that supports all or part of a building, or other structure;
 - (c) Retaining wall or bulkhead that does not support all or part of a building or other structure; or

(d) Pier, wharf or dock;

- (3) Theft in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;
- (4) Vandalism and malicious mischief, and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, if the dwelling has been vacant for more than 60 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;
- (5) Mold, fungus or wet rot; or.
- (6) Any of the following:
 - (a) Wear and tear, marring, deterioration;
 - (b) Mechanical breakdown, latent defect, inherent vice, or any quality in property that causes it to damage or destroy itself;
 - (c) Smog, rust or other corrosion, or dry rot;
 - (d) Smoke from agricultural smudging or industrial operations;
 - (e) Contamination or discharge, dispersal, seepage, migration, release or escape of pollutants unless the contamination or discharge, dispersal, seepage, migration, release or escape is itself caused by a Peril Insured Against named under Coverage C.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed;
 - (f) Settling, shrinking, bulging or expansion, including resultant cracking, of bulkheads, pavements, patios, footings, foundations, walls, floors, roofs or ceilings;
 - (g) Birds, rodents, or insects;
 - (h) Nesting or infestation, or discharge or release of waste products or secretions, by any animals;
 - (i) Animals owned or kept by an "insured"; or
 - (j) Growth of trees, shrubs, plants or lawns, whether or not such growth

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is above or below the surface of the ground.

Exception To c.(6)

Unless the loss is otherwise excluded, we cover loss to property covered under Coverage A or B resulting from a sudden and accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the "residence premises". This includes the cost to tear out and replace any part of a building, or other structure, on the "residence premises", but only when necessary to repair the system or appliance. However, such tear out and replacement coverage only applies to other structures if the water or steam causes actual damage to a building on the "residence premises".

We do not cover loss to the system or appliance from which this water or steam escaped.

For purposes of this provision, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, down spout or similar fixtures or equipment.

Section I – Exclusion A.3. Water Damage, Paragraphs a. and c. that apply to surface water and water below the surface of the ground do not apply to loss by water covered under c.(5) and (6) above.

Under 2.b. and c. above, any ensuing loss to property described in Coverages A and B not precluded by any other provision in this policy is covered.

B. Coverage C – Personal Property

We insure for direct physical loss to the property described in Coverage C caused by any of the following perils unless the loss is excluded in Section I – Exclusions.

1. Fire Or Lightning

2. Windstorm Or Hail

This peril includes loss to watercraft of all types and their trailers, furnishings, equipment, and outboard engines or motors, only while inside a fully enclosed building.

This peril does not include loss to the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.

3. Explosion

4. Riot Or Civil Commotion

5. Aircraft

This peril includes self-propelled missiles and spacecraft.

6. Vehicles

7. Smoke

This peril means sudden and accidental damage from smoke, including the emission or puffback of smoke, soot, fumes or vapors from a boiler, furnace or related equipment.

This peril does not include loss caused by smoke from agricultural smudging or industrial operations.

8. Vandalism Or Malicious Mischief

9. Theft

a. This peril includes attempted theft and loss of property from a known place when it is likely that the property has been stolen. Any theft must be promptly reported to the police.

b. This peril does not include loss caused by theft:

(1) Committed by an "insured";

(2) In or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;

(3) From that part of a "residence premises" rented by an "insured" to someone other than another "insured"; or

(4) That occurs off the "residence premises" of:

(a) Trailers, semi-trailers and campers;

(b) Watercraft of all types, and their furnishings, equipment and outboard engines or motors; or

(c) Property while at any other residence owned by, rented to, or occupied by an "insured", except while an "insured" is temporarily living there. Property of an "insured" who is a student is covered while at the residence the student occupies to attend school as long as the student has been there at any time during the 90 days immediately before the loss.

10. Falling Objects

This peril does not include loss to property contained in a building unless the roof or an outside wall of the building is first damaged by a falling object. Damage to the falling object

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itself is not included.

11. Weight Of Ice, Snow Or Sleet

This peril means weight of ice, snow or sleet which causes damage to property contained in a building.

12. Sudden and Accidental Discharge Or Overflow Of Water Or Steam

a. This peril means sudden and accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.

b. This peril does not include loss:

(1) To the system or appliance from which the water or steam escaped;

(2) Caused by or resulting from freezing except as provided in Peril Insured Against 14. Freezing;

(3) On the "residence premises" caused by sudden and accidental discharge or overflow which occurs off the "residence premises"; or

(4) Caused by mold, fungus or wet rot.

c. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.

d. Section I – Exclusion A.3. Water Damage, Paragraphs a. and c. that apply to surface water and water below the surface of the ground do not apply to loss by water covered under this peril.

13. Sudden And Accidental Tearing Apart, Cracking, Burning Or Bulging

This peril means sudden and accidental tearing apart, cracking, burning or bulging of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water.

We do not cover loss caused by or resulting from freezing under this peril.

14. Freezing

a. This peril means freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance but only if you have used reasonable care to:

(1) Maintain heat in the building; or

(2) Shut off the water supply and drain all systems and appliances of water.

However, if the building is protected by an

automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply.

b. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.

15. Sudden And Accidental Damage From Artificially Generated Electrical Current

This peril does not include loss to tubes, transistors, electronic components or circuitry that are a part of appliances, fixtures, computers, home entertainment units or other types of electronic apparatus.

16. Volcanic Eruption

This peril does not include loss caused by earthquake, land shock waves or tremors.

SECTION I – EXCLUSIONS

A. We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

1. Ordinance Or Law

Ordinance Or Law means any ordinance or law:

a. Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris. This Exclusion A.1.a. does not apply to the amount of coverage that may be provided for in E.11. Ordinance Or Law under Section I – Property Coverages;

b. The requirements of which result in a loss in value to property; or

c. Requiring any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This Exclusion A.1. applies whether or not the property has been physically damaged.

2. Earth Movement

Earth Movement means:

a. Earthquake, including land shock waves or

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tremors before, during or after a volcanic eruption;

- b. Landslide, mudslide or mudflow;
- c. Subsidence or sinkhole; or
- d. Any other earth movement including earth sinking, rising, erosion, creeping, expanding, bulging, cracking, settling, contracting or shifting;

caused by or resulting from human or animal forces or any act of nature unless direct loss by fire or explosion ensues and then we will pay only for the ensuing loss.

This Exclusion A.2. does not apply to loss by theft.

3. Water Damage

Water Damage means:

- a. Flood, including but not limited to surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind;
- b. Water or water-borne material which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment; or
- c. Water or water-borne material below the surface of the ground, regardless of its source, including water which exerts pressure on, flows, seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure;

caused by or resulting from human or animal forces or any act of nature.

Sudden and accidental direct physical loss by fire, explosion or theft resulting from water damage is covered.

4. Power Failure

Power Failure means the failure of power or other utility service if the failure takes place off the "residence premises". But if the failure results in a loss, from a Peril Insured Against on the "residence premises", we will pay for the loss caused by that peril.

5. Neglect

Neglect means neglect of an "insured" to use all reasonable means to save and preserve property at and after the time of a loss.

6. War

War includes the following and any consequence of any of the following:

- a. Undeclared war, civil war, insurrection, rebellion or revolution;

- b. Warlike act by a military force or military personnel; or

- c. Destruction, seizure or use for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental.

7. Nuclear Hazard

This Exclusion A.7. pertains to Nuclear Hazard to the extent set forth in M. Nuclear Hazard Clause under Section I – Conditions.

8. Intentional Loss

Intentional Loss means any loss arising out of any intentional act or criminal activity an "insured" commits or conspires to commit with the intent to cause a loss.

In the event of such loss, no "insured" is entitled to coverage, even "insureds" who did not commit or conspire to commit the act causing the loss.

This exclusion applies even if:

- a. an "insured" is not charged with, or convicted of a crime; or
- b. the loss is of a different kind, quality or degree than intended or reasonably expected.

9. Governmental Action

Governmental Action means the destruction, confiscation or seizure of property described in Coverage A, B or C by order of any governmental or public authority.

This exclusion does not apply to such acts ordered by any governmental or public authority that are taken at the time of a fire to prevent its spread, if the loss caused by fire would be covered under this policy.

10. Soil Conditions

Soil conditions, includes, but is not limited to corrosive action, chemicals, compounds, elements, suspensions, crystal formations or gels in the soil.

11. Seepage

Seepage means continuous or repeated seepage or leakage of water, steam or fuel or the presence of condensation, humidity, moisture or vapor over a period of weeks, months, or years:

- a. from a plumbing, heating, air conditioning or automatic fire protection system or from within a domestic appliance; or
- b. from within or around any plumbing fixtures, including, but not limited to, shower stalls, shower baths, tub installations, sinks, faucets, drains, basins or other fixtures including walls, ceilings or floors.

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are settled as follows:

1. Property of the following types:

- a. Personal property;
- b. Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings;
- c. Structures that are not buildings;
- d. Grave markers, including mausoleums;
- e. cesspools, septic tanks and septic fields; and
- f. swimming pools

at actual cash value at the time of loss but not more than the amount required to repair or replace.

2. Buildings covered under Coverage A or B at replacement cost without deduction for depreciation, subject to the following:

- a. If, at the time of loss, the amount of insurance in this policy on the damaged building is 80% or more of the full replacement cost of the building immediately before the loss, we will pay the cost to repair or replace, after application of any deductible and without deduction for depreciation, but not more than the least of the following amounts:

- (1) The limit of liability under this policy that applies to the building;
- (2) The replacement cost of that part of the building damaged with material of like kind and quality and for like use; or
- (3) The necessary amount actually spent to repair or replace the damaged building.

If the building is rebuilt at a new premises, the cost described in (2) above is limited to the cost which would have been incurred if the building had been built at the original premises.

- b. If, at the time of loss, the amount of insurance in this policy on the damaged building is less than 80% of the full replacement cost of the building immediately before the loss, we will pay the greater of the following amounts, but not more than the limit of liability under this policy that applies to the building:

- (1) The actual cash value of that part of the building damaged; or
- (2) That proportion of the cost to repair or replace, after application of any deductible and without deduction for depreciation, that part of the building damaged, which the total amount of insurance in this policy on the

damaged building bears to 80% of the replacement cost of the building.

- c. To determine the amount of insurance required to equal 80% of the full replacement cost of the building immediately before the loss, do not include the value of:

- (1) Excavations, footings, foundations, piers, or any other structures or devices that support all or part of the building, which are below the undersurface of the lowest basement floor;
- (2) Those supports described in (1) above which are below the surface of the ground inside the foundation walls, if there is no basement; and
- (3) Underground flues, pipes, wiring and drains.

- d. We will pay no more than the actual cash value of the damage until actual repair or replacement is complete. Once actual repair or replacement is complete, we will settle the loss as noted in 2.a. and b. above.

However, if the cost to repair or replace the damage is both:

- (1) Less than 5% of the amount of insurance in this policy on the building; and
- (2) Less than \$2,500;

we will settle the loss as noted in 2.a. and b. above whether or not actual repair or replacement is complete.

- e. You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss to buildings on an actual cash value basis. You may then make claim for any additional liability according to the provisions of this Condition C. Loss Settlement, provided you notify us of your intent to do so within 180 days after the date of loss.

D. Loss To A Pair Or Set

In case of loss to a pair or set we may elect to:

- 1. Repair or replace any part to restore the pair or set to its value before the loss; or
- 2. Pay the difference between actual cash value of the property before and after the loss.

E. Appraisal

If you and we fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose a competent and impartial appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that

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the choice be made by a judge of a court of record in the state where the "residence premises" is located. The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.

Each party will:

1. Pay its own appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

F. Other Insurance And Service Agreement

If a loss covered by this policy is also covered by:

1. Other insurance, we will pay only the proportion of the loss that the limit of liability that applies under this policy bears to the total amount of insurance covering the loss; or
2. A service agreement, this insurance is excess over any amounts payable under any such agreement. Service agreement means a service plan, property restoration plan, home warranty or other similar service warranty agreement, even if it is characterized as insurance.

G. Suit Against Us

No action can be brought against us unless there has been full compliance with all of the terms under Section I of this policy and the action is started within two years after the date of loss.

H. Our Option

If we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may repair or replace any part of the damaged property with material or property of like kind and quality.

I. Loss Payment

We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 60 days after we receive your proof of loss and:

1. Reach an agreement with you;
2. There is an entry of a final judgment; or
3. There is a filing of an appraisal award with us.

J. Abandonment Of Property

We need not accept any property abandoned by an "insured".

K. Mortgage Clause

1. If a mortgagee is named in this policy, any loss payable under Coverage A or B will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.

2. If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:

- a. Notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
- b. Pays any premium due under this policy on demand if you have neglected to pay the premium; and
- c. Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Paragraphs E. Appraisal, G. Suit Against Us and I. Loss Payment under Section I – Conditions also apply to the mortgagee.

3. If we decide to cancel or not to renew this policy, the mortgagee will be notified at least 10 days before the date cancellation or non-renewal takes effect.

4. If we pay the mortgagee for any loss and deny payment to you:

- a. We are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
- b. At our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

5. Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

L. No Benefit To Bailee

We will not recognize any assignment or grant any coverage that benefits a person or organization holding, storing or moving property for a fee regardless of any other provision of this policy.

M. Nuclear Hazard Clause

1. "Nuclear Hazard" means any nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.
2. Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion, or smoke, whether these perils are specifically named in or otherwise included within the Perils Insured Against.
3. This policy does not apply under Section I to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

N. Recovered Property

If you or we recover any property for which we

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have made payment under this policy, you or we will notify the other of the recovery. At your option, the property will be returned to or retained by you or it will become our property. If the recovered property is returned to or retained by you, the loss payment will be adjusted based on the amount you received for the recovered property.

O. Volcanic Eruption Period

One or more volcanic eruptions that occur within a 72 hour period will be considered as one volcanic eruption.

P. Policy Period

This policy applies only to loss which occurs during the policy period.

Q. Concealment Or Fraud

We provide coverage to no "insureds" under this policy if, whether before or after a loss, an "insured" has:

1. Intentionally concealed or misrepresented any material fact or circumstance;
 2. Engaged in fraudulent conduct; or
 3. Made false statements;
- relating to this insurance.

R. Property Insurance Adjustment

The limit of liability shown on the Policy Declarations for Coverage A – Dwelling may be revised at each policy anniversary for inflation. Any other limits of liability that are based on a relationship to Coverage A will also be revised. We will not reduce the limit of liability shown on the Policy Declarations without your consent. Any adjustment in premium will be made based on premium rates in use by us at the time the change is made.

SECTION II – LIABILITY COVERAGES

A. Coverage E – Personal Liability

If a claim is made or a suit is brought against an "insured" for damages because of "bodily injury" or "property damage" caused by an "occurrence" to which this coverage applies, we will:

1. Pay up to our limit of liability for the damages for which an "insured" is legally liable. Damages include prejudgment interest awarded against an "insured"; and
2. Provide a defense at our expense by counsel of our choice, even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to settle or defend ends when our limit of liability for the "occurrence" has been exhausted by payment of a judgment or settlement.

B. Coverage F – Medical Payments To Others

We will pay the necessary medical expenses that are

incurred or medically ascertained within three years from the date of an accident causing "bodily injury". Medical expenses means reasonable charges for medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, prosthetic devices and funeral services. This coverage does not apply to you or regular residents of your household except "residence employees". As to others, this coverage applies only:

1. To a person on the "insured location" with the permission of an "insured"; or
2. To a person off the "insured location", if the "bodily injury":
 - a. Arises out of a condition on the "insured location" or the ways immediately adjoining;
 - b. Is caused by the activities of an "insured";
 - c. Is caused by a "residence employee" in the course of the "residence employee's" employment by an "insured"; or
 - d. Is caused by an animal owned by or in the care of an "insured".

SECTION II – EXCLUSIONS

A. "Motor Vehicle Liability"

1. Coverages E and F do not apply to any "motor vehicle liability" if, at the time and place of an "occurrence", the involved "motor vehicle":
 - a. Is registered for use on public roads or property;
 - b. Is not registered for use on public roads or property, but such registration is required by a law, or regulation issued by a government agency, for it to be used at the place of the "occurrence"; or
 - c. Is being:
 - (1) Operated in, or practicing for, any pre-arranged or organized race, speed contest or other competition;
 - (2) Rented to others;
 - (3) Used to carry persons or cargo for a charge; or
 - (4) Used for any "business" purpose except for a motorized golf cart while on a golfing facility.
2. If Exclusion A.1. does not apply, there is still no coverage for "motor vehicle liability" unless the "motor vehicle" is:
 - a. In dead storage on an "insured location";
 - b. Used to service an "insured's" residence;
 - c. Designed to assist the handicapped and, at the time of an "occurrence", it is:
 - (1) Being used to assist a handicapped person; or

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- (2) Parked on an "insured location";
- d. Designed for recreational use off public roads and:
 - (1) Not owned by an "insured"; or
 - (2) Owned by an "insured" provided the "occurrence" takes place on an "insured location" as defined in **Definitions B. 6.a., b., d., e. or h.**; or
- e. A motorized golf cart that is owned by an "insured", designed to carry up to 4 persons, not built or modified after manufacture to exceed a speed of 25 miles per hour on level ground and, at the time of an "occurrence", is within the legal boundaries of a golfing facility and is parked or stored there, or being used by an "insured" to:
 - (1) Play the game of golf or for other recreational or leisure activity allowed by the facility;
 - (2) Travel to or from an area where "motor vehicles" or golf carts are parked or stored; or
 - (3) Cross public roads at designated points to access other parts of the golfing facility.

B. "Watercraft Liability"

1. Coverages E and F do not apply to any "watercraft liability" if, at the time of an "occurrence", the involved watercraft is being:
 - a. Operated in, or practicing for, any prearranged or organized race, speed contest or other competition. This exclusion does not apply to a sailing vessel or a predicted log cruise;
 - b. Rented to others;
 - c. Used to carry persons or cargo for a charge; or
 - d. Used for any "business" purpose.
2. If Exclusion B.1. does not apply, there is still no coverage for "watercraft liability" unless, at the time of the "occurrence", the watercraft:
 - a. Is stored;
 - b. Is a sailing vessel, with or without auxiliary power, that is:
 - (1) Less than 26 feet in overall length; or
 - (2) 26 feet or more in overall length and not owned by or rented to an "insured"; or
 - c. Is not a sailing vessel and is powered by:
 - (1) An inboard or inboard-outdrive engine or motor, including those that power a water jet pump, of:
 - (a) 50 horsepower or less and not

owned by an "insured"; or

- (b) More than 50 horsepower and not owned by or rented to an "insured"; or
- (2) One or more outboard engines or motors with:
 - (a) 25 total horsepower or less;
 - (b) More than 25 horsepower if the outboard engine or motor is not owned by an "insured";
 - (c) More than 25 horsepower if the outboard engine or motor is owned by an "insured" who acquired it during the policy period; or
 - (d) More than 25 horsepower if the outboard engine or motor is owned by an "insured" who acquired it before the policy period, but only if:
 - (i) You declare them at policy inception; or
 - (ii) Your intent to insure them is reported to us in writing within 45 days after you acquire them.

The coverages in (c) and (d) above apply for the policy period.

Horsepower means the maximum power rating assigned to the engine or motor by the manufacturer.

C. "Aircraft Liability"

This policy does not cover "aircraft liability".

D. "Hovercraft Liability"

This policy does not cover "hovercraft liability".

E. Coverage E – Personal Liability And Coverage F – Medical Payments To Others

Coverages E and F do not apply to the following:

1. Expected Or Intended Injury

"Bodily injury" or "property damage" which is expected or intended by an "insured" or which is the result of intentional acts or omissions, or criminal activity, even if the resulting "bodily injury" or "property damage":

- a. Is of a different kind, quality or degree than initially expected or intended; or
- b. Is sustained by a different person, entity, real or personal property, than initially expected or intended; or
- c. Is committed by an "insured" who lacks the mental capacity to govern their own conduct.

This exclusion applies regardless of whether an "insured" is charged with or convicted of a crime. However, this Exclusion E.1. does not apply to "bodily injury" resulting from the use of

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reasonable force by an "insured" to protect persons or property;

2. "Business"

- a. "Bodily injury" or "property damage" arising out of or in connection with a "business" conducted from an "insured location" or engaged in by an "insured", whether or not the "business" is owned or operated by an "insured" or employs an "insured".

This Exclusion E.2. applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the "business".

- b. This Exclusion E.2. does not apply to the rental or holding for rental of an "insured location";

- (1) On an occasional basis if used only as a residence;
- (2) In part for use only as a residence, unless a single family unit is intended for use by the occupying family to lodge more than two roomers or boarders; or
- (3) In part, as an office, school, studio or private garage;

3. Professional Services

"Bodily injury" or "property damage" arising out of the rendering of or failure to render professional services;

4. "Insured's" Premises Not An "Insured Location"

"Bodily injury" or "property damage" arising out of a premises:

- a. Owned by an "insured";
 - b. Rented to an "insured"; or
 - c. Rented to others by an "insured";
- that is not an "insured location";

5. War

"Bodily injury" or "property damage" caused directly or indirectly by war, including the following and any consequence of any of the following:

- a. Undeclared war, civil war, insurrection, rebellion or revolution;
- b. Warlike act by a military force or military personnel; or
- c. Destruction, seizure or use for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental;

6. Communicable Disease

"Bodily injury" or "property damage" which

arises out of the transmission of or exposure to a communicable disease, bacteria, parasite, virus or other organism by an "insured";

7. Sexual Molestation, Corporal Punishment Or Physical Or Mental Abuse

"Bodily injury" or "property damage" arising out of sexual molestation, corporal punishment or physical or mental abuse;

8. Controlled Substance

"Bodily injury" or "property damage" arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812. Controlled Substances include but are not limited to cocaine, LSD, marijuana and all narcotic drugs. However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed health care professional with prescriptive authority for controlled substances;

9. Home Day Care

"Bodily injury" or "property damage" arising out of home day care services provided by an "insured" and for which an "insured" receives monetary or other compensation, not including the mutual exchange of such services or the rendering of home day care services to a relative of an "insured";

10. Pollution

"Bodily injury" or "property damage" arising out of fuel, vapors, fumes, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste material or other irritants, contaminants or pollutants; or

11. Fines and Penalties

Fines, penalties, double or treble damages; punitive or vindictive damages; or any other type of added damages intended to punish or deter wrongful conduct rather than as compensation for actual damages.

Exclusions A. "Motor Vehicle Liability", B. "Watercraft Liability", C. "Aircraft Liability", D. "Hovercraft Liability" and E.4. "Insured's" Premises Not An "Insured Location" do not apply to "bodily injury" to a "residence employee" arising out of and in the course of the "residence employee's" employment by an "insured".

F. Coverage E – Personal Liability

Coverage E does not apply to:

1. Liability:

- a. For any loss assessment charged against you as a member of an association, corporation or community of property owners,

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except as provided in D. Loss Assessment under Section II – Additional Coverages;

- b. Under any contract or agreement entered into by an "insured". However, this exclusion does not apply to written contracts:

(1) That directly relate to the ownership, maintenance or use of an "insured location"; or

(2) Where the liability of others is assumed by you prior to an "occurrence";

unless excluded in a. above or elsewhere in this policy;

2. "Property damage" to property owned by an "insured". This includes costs or expenses incurred by an "insured" or others to repair, replace, enhance, restore or maintain such property to prevent injury to a person or damage to property of others, whether on or away from an "insured location";
3. "Property damage" to property rented to, occupied or used by or in the care of an "insured". This exclusion does not apply to "property damage" caused by fire, smoke or explosion;
4. "Bodily injury" to any person eligible to receive any benefits voluntarily provided or required to be provided by an "insured" under any:
 - a. Workers' compensation law;
 - b. Non-occupational disability law; or
 - c. Occupational disease law;
5. "Bodily injury" or "property damage" for which an "insured" under this policy:
 - a. Is also an insured under a nuclear energy liability policy issued by the:
 - (1) Nuclear Energy Liability Insurance Association;
 - (2) Mutual Atomic Energy Liability Underwriters;
 - (3) Nuclear Insurance Association of Canada; or any of their successors; or
 - b. Would be an insured under such a policy but for the exhaustion of its limit of liability; or
6. "Bodily injury" to you or an "insured" as defined under Definition 5.a.

This exclusion also applies to any claim made or suit brought against you or an "insured":

- a. To repay; or
- b. Share damages with;

another person who may be obligated to pay damages because of "bodily injury" to an "insured".

G. Coverage F – Medical Payments To Others

Coverage F does not apply to "bodily injury":

1. To a "residence employee" if the "bodily injury":
 - a. Occurs off the "insured location"; and
 - b. Does not arise out of or in the course of the "residence employee's" employment by an "insured";
2. To any person eligible to receive benefits voluntarily provided or required to be provided under any:
 - a. Workers' compensation law;
 - b. Non-occupational disability law; or
 - c. Occupational disease law;
3. From any:
 - a. Nuclear reaction;
 - b. Nuclear radiation; or
 - c. Radioactive contamination;
 all whether controlled or uncontrolled or however caused; or
 - d. Any consequence of any of these; or
4. To any person, other than a "residence employee" of an "insured", regularly residing on any part of the "insured location".

SECTION II – ADDITIONAL COVERAGES

We cover the following in addition to the limits of liability:

A. Claim Expenses

We pay:

1. Expenses we incur and costs taxed against an "insured" in any suit we defend;
2. Premiums on bonds required in a suit we defend, but not for bond amounts more than the Coverage E limit of liability. We need not apply for or furnish any bond;
3. Reasonable expenses incurred by an "insured" at our request, including actual loss of earnings (but not loss of other income) up to \$300 per day, for assisting us in the investigation or defense of a claim or suit; and
4. Interest on the entire judgment which accrues after entry of the judgment and before we pay or tender, or deposit in court that part of the judgment which does not exceed the limit of liability that applies.

B. First Aid Expenses

We will pay expenses for first aid to others incurred by an "insured" for "bodily injury" covered under this policy. We will not pay for first aid to an "insured".

C. Damage To Property Of Others

1. We will pay, at replacement cost, up to \$1,000 per "occurrence" for "property damage" to property of others caused by an "insured".
2. We will not pay for "property damage":

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- a. To the extent of any amount recoverable under Section I;
- b. Caused intentionally by an "insured" who is 13 years of age or older;
- c. To property owned by an "insured";
- d. To property owned by or rented to a tenant of an "insured" or a resident in your household; or
- e. Arising out of:

- (1) A "business" engaged in by an "insured";
- (2) Any act or omission in connection with a premises owned, rented or controlled by an "insured", other than the "insured location"; or
- (3) The ownership, maintenance, occupancy, operation, use, loading or unloading of aircraft, hovercraft, watercraft or "motor vehicles".

This exclusion e.(3) does not apply to a "motor vehicle" that:

- (a) Is designed for recreational use off public roads;
- (b) Is not owned by an "insured"; and
- (c) At the time of the "occurrence", is not required by law, or regulation issued by a government agency, to have been registered for it to be used on public roads or property.

D. Loss Assessment

- 1. We will pay up to \$1,000 for your share of loss assessment charged against you, as owner or tenant of the "residence premises", during the policy period by a corporation or association of property owners, when the assessment is made as a result of:
 - a. "Bodily injury" or "property damage" not excluded from coverage under Section II – Exclusions; or
 - b. Liability for an act of a director, officer or trustee in the capacity as a director, officer or trustee, provided such person:
 - (1) Is elected by the members of a corporation or association of property owners; and
 - (2) Serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.
- 2. Paragraph I. Policy Period under Section II – Conditions does not apply to this Loss Assessment Coverage.
- 3. Regardless of the number of assessments, the limit of \$1,000 is the most we will pay for loss

arising out of:

- a. One accident, including continuous or repeated exposure to substantially the same general harmful condition; or
 - b. A covered act of a director, officer or trustee. An act involving more than one director, officer or trustee is considered to be a single act.
4. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.

SECTION II – CONDITIONS

A. Limit Of Liability

Our total liability under Coverage E for all damages resulting from any one "occurrence" will not be more than the Coverage E limit of liability shown in the Declarations. This limit is the same regardless of the number of "insureds", claims made or persons injured. All "bodily injury" and "property damage" resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions shall be considered to be the result of one "occurrence".

Our total liability under Coverage F for all medical expense payable for "bodily injury" to one person as the result of one accident will not be more than the Coverage F limit of liability shown in the Declarations.

B. Severability Of Insurance

This insurance applies separately to each "insured". This condition will not increase our limit of liability for any one "occurrence".

C. Duties After "Occurrence"

In case of an "occurrence", you or another "insured" will perform the following duties that apply. We have no duty to provide coverage under this policy if your failure to comply with the following duties is prejudicial to us. You will help us by seeing that these duties are performed:

- 1. Give written notice to us or our agent as soon as is practical, which sets forth:
 - a. The identity of the policy and the "named insured" shown in the Declarations;
 - b. Reasonably available information on the time, place and circumstances of the "occurrence"; and
 - c. Names and addresses of any claimants and witnesses;
- 2. Cooperate with us in the investigation, settlement or defense of any claim or suit;
- 3. Promptly forward to us every notice, demand, summons or other process relating to the "occurrence";
- 4. At our request, help us:

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- a. To make settlement;
 - b. To enforce any right of contribution or indemnity against any person or organization who may be liable to an "insured";
 - c. With the conduct of suits and attend hearings and trials; and
 - d. To secure and give evidence and obtain the attendance of witnesses;
5. With respect to C. Damage To Property Of Others under Section II - Additional Coverages, submit to us within 60 days after the loss, a sworn statement of loss and show the damaged property, if in an "insured's" control;
6. No "insured" shall, except at such "insured's" own cost, voluntarily make payment, assume obligation or incur expense other than for first aid to others at the time of the "bodily injury".

D. Duties Of An Injured Person – Coverage F – Medical Payments To Others

- 1. The injured person or someone acting for the injured person will:
 - a. Give us written proof of claim, under oath if required, as soon as is practical; and
 - b. Authorize us to obtain copies of medical reports and records.
- 2. The injured person will submit to a physical exam by a doctor of our choice when and as often as we reasonably require.

E. Payment Of Claim – Coverage F – Medical Payments To Others

Payment under this coverage is not an admission of liability by an "insured" or us.

F. Suit Against Us

- 1. No action can be brought against us unless there has been full compliance with all of the terms under this Section II.
- 2. No one will have the right to join us as a party to any action against an "insured".
- 3. Also, no action with respect to Coverage E can be brought against us until the obligation of such "insured" has been determined by final judgment or agreement signed by us.

G. Bankruptcy Of An "Insured"

Bankruptcy or insolvency of an "insured" will not relieve us of our obligations under this policy.

H. Other Insurance

This insurance is excess over other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this policy.

I. Policy Period

This policy applies only to "bodily injury" or "property damage" which occurs during the policy period.

J. Concealment Or Fraud

We do not provide coverage to an "insured" who, whether before or after a loss, has:

- 1. Intentionally concealed or misrepresented any material fact or circumstance;
 - 2. Engaged in fraudulent conduct; or
 - 3. Made false statements;
- relating to this insurance.

SECTIONS I AND II – CONDITIONS

A. Liberalization Clause

If we make a change which broadens coverage under this edition of our policy without additional premium charge, that change will automatically apply to your insurance as of the date we implement the change in your state, provided that this implementation date falls within 60 days prior to or during the policy period stated in the Declarations.

This Liberalization Clause does not apply to changes implemented with a general program revision that includes both broadenings and restrictions in coverage, whether that general program revision is implemented through introduction of:

- 1. A subsequent edition of this policy; or
- 2. An amendatory endorsement.

B. Waiver Or Change Of Policy Provisions

A waiver or change of a provision of this policy must be in writing by us to be valid. Our request for an appraisal or examination will not waive any of our rights.

C. Cancellation

- 1. You may cancel this policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect.
- 2. We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations. Proof of mailing will be sufficient proof of notice.
 - a. When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
 - b. When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 10 days before the date cancellation takes effect.

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- c. When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:

- (1) If there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy; or
- (2) If the risk has changed substantially since the policy was issued.

This can be done by letting you know at least 30 days before the date cancellation takes effect.

3. When this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
4. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

D. Non-renewal

We may elect not to renew this policy. We may do so by delivering to you, or mailing to you at your mailing address shown in the Declarations, written notice at least 30 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

E. Assignment

Assignment of this policy will not be valid unless we give our written consent.

F. Subrogation

An "insured" may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us. If an assignment is sought, an "insured" must sign and deliver all related papers and cooperate with us.

Subrogation does not apply to Coverage F or Paragraph C. Damage To Property Of Others under Section II – Additional Coverages.

G. Death

If any person named in the Declarations or the spouse, if a resident of the same household, dies, the following apply:

1. We insure the legal representative of the deceased but only with respect to the premises and property of the deceased covered under the policy at the time of death; and
2. "Insured" includes:
 - a. An "insured" who is a member of your household at the time of your death, but only while a resident of the "residence premises"; and
 - b. With respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

H. Coverage Changes

The coverage provided and the premium for the policy is based on information you have given us. You agree to cooperate with us in determining if this information is correct and complete. You agree that if this information changes, is incorrect or incomplete, we may adjust your coverage and premium accordingly during the policy period.

I. Continuous Policy

Subject to the consent of this Company, this policy will be continued in force upon payment of the required continuation premium for each successive policy period in accordance with the rules, rates, forms and premiums then in effect. Failure to pay the required premium when due will result in the issuance of a legal notice of cancellation.

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SPECIAL PROVISIONS – NEW YORK**SECTION I – PERILS INSURED AGAINST****Forms HO 2000 and HO 4000**

Paragraph 8. is deleted and replaced by the following:

8. Vandalism Or Malicious Mischief

This peril does not include loss to property on the "residence premises" if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.

Form HO 2000 Only

Paragraph 12.b. is deleted and replaced by the following:

12. Accidental Discharge Or Overflow Of Water Or Steam

b. This peril does not include loss:

- (1) On the "residence premises", if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;
- (2) To the system or appliance from which the water or steam escaped;
- (3) Caused by or resulting from freezing except as provided in Peril Insured Against 14. Freezing; or
- (4) On the "residence premises" caused by accidental discharge or overflow which occurs off the "residence premises".

Form HO 4000 Only

Paragraph 12.b. is deleted and replaced by the following:

12. Accidental Discharge Or Overflow Of Water Or Steam

b. This peril does not include loss:

- (1) To the system or appliance from which the water or steam escaped;
- (2) Caused by or resulting from freezing except as provided in Peril Insured Against 14. Freezing; or
- (3) On the "residence premises" caused by accidental discharge or overflow which occurs away from the building where the "residence premises" is located.

Form HO6 000 Only

Paragraph 8. is deleted and replaced by the following:

8. Vandalism Or Malicious Mischief

This peril does not include loss to property which pertains to the "residence premises" if the building containing the "residence premises" has been vacant for more than 30 consecutive days immediately before the loss. A building being constructed is not considered vacant.

Paragraph 12.b. is deleted and replaced by the following:

12. Accidental Discharge Or Overflow Of Water Or Steam

b. This peril does not include loss:

- (1) To or within the "residence premises", if the building containing the "residence premises" has been vacant for more than 30 consecutive days immediately before the loss. A building being constructed is not considered vacant;
- (2) To the system or appliance from which the water or steam escaped;
- (3) Caused by or resulting from freezing except as provided in Peril Insured Against 14. Freezing; or
- (4) To or within the "residence premises" caused by accidental discharge or overflow which occurs away from the building where the "residence premises" is located.

Form HO 3000 Only**A. Coverage A – Dwelling And Coverage B – Other Structures**

Paragraph A.2.c. is deleted and replaced by the following:

2. We do not insure, however, for loss:

c. Caused by:

- (1) Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. This provision does not apply if you have used reasonable care to:
 - (a) Maintain heat in the building; or
 - (b) Shut off the water supply and drain all systems and appliances of water.

However, if the building is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply.

For purposes of this provision a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment;

- (2) Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:
 - (a) Fence, pavement, patio or swimming pool;
 - (b) Footing, foundation, bulkhead,

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- wall, or any other structure or device that supports all or part of a building, or other structure;
- (c) Retaining wall or bulkhead that does not support all or part of a building or other structure; or
 - (d) Pier, wharf or dock;
- (3) Theft in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;
- (4) Vandalism and malicious mischief if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;
- (5) Any of the following:
- (a) Wear and tear, marring, deterioration;
 - (b) Mechanical breakdown, latent defect, inherent vice, or any quality in property that causes it to damage or destroy itself;
 - (c) Smog, rust or other corrosion, mold, wet or dry rot;
 - (d) Smoke from agricultural smudging or industrial operations;
 - (e) Contamination or discharge, dispersal, seepage, migration, release or escape of pollutants unless the contamination or discharge, dispersal, seepage, migration, release or escape is itself caused by a Peril Insured Against under Coverage C of this policy;
 - (f) Settling, shrinking, bulging or expansion, including resultant cracking, of bulkheads, pavements, patios, footings, foundations, walls, floors, roofs or ceilings;
 - (g) Birds, rodents, or insects;
 - (h) Nesting or infestation, or discharge or release of waste products or secretions by any animals;
 - (i) Animals owned or kept by an "insured"; or
 - (j) Growth of trees, shrubs, plants or lawns, whether or not such growth is above or below the surface of the ground.

Exception To Paragraph c.(5)

Unless the loss is otherwise excluded, we

cover loss to property covered under Coverage A or B resulting from a sudden and accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the "residence premises". This includes the cost to tear out and replace any part of a building, or other structure, on the "residence premises", but only when necessary to repair the system or appliance. However, such tear out and replacement coverage only applies to other structures if the water or steam causes actual damage to a building on the "residence premises".

We do not cover loss to the system or appliance from which this water or steam escaped.

For purposes of this provision, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, down spout or similar fixtures or equipment.

Section I – Exclusion A.3. Water Damage, Paragraphs a. and c. that apply to surface water and water below the surface of the ground do not apply to loss by water covered under Paragraph c.(5) above.

Under Paragraphs 2.b. and c. above, any ensuing loss to property described in Coverages A and B not precluded by any other provision in this policy is covered.

B. Coverage C – Personal Property

Paragraph 12.b. is deleted and replaced by the following:

12. Sudden and Accidental Discharge Or Overflow Of Water Or Steam

b. This peril does not include loss:

- (1) To the system or appliance from which the water or steam escaped;
- (2) Caused by or resulting from freezing except as provided in Peril Insured Against 14. Freezing; or
- (3) On the "residence premises" caused by sudden and accidental discharge or overflow which occurs off the "residence premises".

SECTION I – EXCLUSIONS

8. **Intentional Loss** is deleted and replaced by the following:

8. Intentional Loss

Intentional Loss means any loss arising out of any act an "insured" commits or conspires to commit with the intent to cause a loss.

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This exclusion only applies to an "insured" who commits or conspires to commit an act with the intent to cause a loss and applies even if the "insured" is not charged with, or convicted or, a crime.

(This is Paragraph A.8. in Form HO 3000).

SECTION I – CONDITIONS

Condition G. is replaced by the following:

G. Suit Against Us

No action can be brought against us unless there has been full compliance with all of the terms under Section I of this policy and the action is started within two years after the inception of the loss. For purposes of this condition, inception of the loss means the date on which the direct physical loss or damage occurred.

The following is added to Condition I. **Loss Payment** and applies only to policies covering three or four family dwellings:

Prior to the payment of any proceeds to you for a premises loss caused by fire, we will deduct and pay the claim of any tax district which renders a certificate of lien to us as required by New York Insurance Law. We will not be obligated to pay you the amount we are required to pay on the lien. If we make payment of this lien within thirty days after receiving the certificate of lien, the claim will be considered valid and property paid. We will deduct the amount paid from our final settlement with you.

Q. Concealment Or Fraud

This Paragraph is deleted.

(This is Paragraph P. in Form HO 4000).

The following condition is added:

S. Estimation Of Claims

Upon request, we will furnish you, or your representative, with a written estimate of damages to real property, specifying all deductions, provided such an estimate has been prepared by us or has been prepared on our behalf for our own purposes. This estimate will be provided within thirty days after your request or its preparation, whichever is later.

(This is Paragraph R. in Form HO 4000).

SECTION II – LIABILITY COVERAGES

A. Coverage E – Personal Liability

Paragraph 2. is deleted and replaced by the following:

2. Provide a defense at our expense by counsel of our choice, even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate.

SECTION II – EXCLUSIONS

E. Coverage E – Personal Liability And Coverage – F Medical Payments To Others

Paragraph E.1. **Expected Or Intended Injury** is deleted and replaced by the following:

1. Expected Or Intended Injury

"Bodily Injury" or "property damage" which is expected or intended by an "insured";

Exclusion 10. **Pollution** is deleted and replaced by the following:

10. Pollution

"Bodily Injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of oil, fuel oil, kerosene, liquid propane, gasoline or pollutants. Also excluded is any loss, cost or expense arising out of any governmental direction or request that the named insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize oil, fuel oil, kerosene, liquid propane, gasoline or pollutants.

Pollutants means any solid, liquids, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditions or reclaimed.

This exclusion does not apply if the discharge, dispersal, seepage, migration, release or escape is sudden and accidental.

SECTION II – CONDITIONS

C. Duties After "Occurrence"

The first paragraph and Paragraph 1. are deleted and replaced by the following:

In case of an "occurrence", you or another "insured" or someone acting for the "insured" will perform the following duties that apply. We have no duty to provide coverage under this policy if your failure to comply with the following duties is prejudicial to us. You will help us by seeing that these duties are performed. Any written notice given by any claimant to us or any of our agents in this state, containing particulars sufficient to identify the "insured", will be deemed notice to us.

1. Give written notice to us or any of our agents in this state as soon as reasonably possible, which sets forth:
 - a. The identity of the policy and the named "insured" shown in the Declarations;
 - b. Reasonably available information on the time, place and circumstances of the "occurrence"; and
 - c. Names and addresses of any claimants and witnesses;

Failure to give notice to us as required under this policy shall not invalidate any claim made by the "insured", injured person or any other

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claimant, unless the failure to provide such timely notice is prejudicial to us. However, no claim made by the "insured", injured person or any other claimant will be invalidated if it shall be shown not to have been reasonably possible to give such timely notice and that notice was given as soon as reasonably possible thereafter.

D. Duties Of An Injured Person – Coverage F – Medical Payments To Others

Paragraph 1.a. is deleted and replaced by the following:

- a. Give us or any of our agents in this state written proof of claim, under oath if required, as soon as is practical; and

F. Suit Against Us

The following provisions are added:

4. If we deny coverage or do not admit liability for damages arising from "bodily injury" caused by an "occurrence" because an "insured" or the injured person, someone acting for the injured person or other claimant fails to give us or any of our agents in this state notice as soon as reasonably possible, then the injured person, someone acting for the injured person or other claimant may bring an action against us, in which the sole question is whether the denial of coverage or non-admission of liability is based on the failure to provide notice as soon as reasonably possible.

However, the injured person or someone acting for the injured person may not bring an action if within 60 days after we deny coverage or do not admit liability for damages because of "bodily injury", we or an "insured":

- a. Brings an action to declare the rights of the parties under the policy; and
- b. Names the injured person, someone acting for the injured person or other claimant as a party to the action.

5. If we fail to pay for damages because of "bodily injury" or "property damage" caused by an "occurrence" within 30 days after serving of notice of entry of judgment upon the "insured" and us, then an action may be maintained against us for the amount of the judgment, up to the Limit of Liability.

However, this does not apply during a stay or limited stay of execution against the "insured" on such judgment.

J. Concealment Or Fraud

This paragraph is deleted.

SECTIONS I AND II – CONDITIONS

C. Cancellation

Paragraph 2. is deleted and replaced by the

following:

2. We may cancel the entire policy only for the reasons stated in this condition. The cancellation notice will be mailed to you at the address shown in the Declarations. Proof of mailing will be sufficient proof of notice.

- a. When you have not paid the premium, we may cancel the entire policy at any time by mailing to you at least 15 days' notice of cancellation.
- b. When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel the entire policy for any reason by letting you know at least 30 days before the date of cancellation takes place.
- c. When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel the entire policy only for one or more of the following reasons by notifying the "insured" at least 30 days prior to the proposed cancellation date:
 - (1) Conviction of a crime arising out of acts increasing the hazard insured against;
 - (2) Discovery of fraud or material misrepresentation in obtaining the policy or in the presentation of a claim thereunder;
 - (3) Discovery of willful or reckless acts or omissions increasing the hazard insured against;
 - (4) Physical changes in the property insured occurring after issuance or last annual anniversary date of the policy which result in the property becoming uninsurable in accordance with our objective, uniformly applied underwriting standards in effect at the time the policy was issued or last voluntarily renewed; or
 - (5) A determination by the Superintendent of Insurance that the continuation of the policy would violate or would place us in violation of the New York Insurance Law.

If one of the reasons listed in this Paragraph c. exists, we may cancel the entire policy.

- d. When the property covered by this policy is subject to the Anti-Arson Application in accordance with New York Insurance Department Regulation No. 96, the following provisions are added:

If you fail to return the completed, signed and affirmed Anti-Arson Application to us:

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- (1) Or our broker or agent within 45 days of the effective date of a new policy, we will cancel the entire policy by giving 20 days written notice to you and to the mortgageholder shown in the Declarations.
- (2) Before the annual renewal date of any policy, we will cancel the policy by giving written notice to you and to the mortgageholder shown in the Declarations at least 15 days before the effective date of cancellation.
- e. If we have the right to cancel, we may, instead of canceling this policy, amend the limits of liability or reduce coverage not required by law. If we take this action, we will notify you by mail at least 20 days prior to the date of such change.

Delivery of such written notice by us to the "insured" at the mailing address shown in the Declarations or at a forwarding address will be equivalent to mailing.

Paragraph 3. is deleted and replaced by the following:

3. When this policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.

However, when the premium is advanced under a premium finance agreement, we may retain a minimum earned premium on the policy of 10% of

the total policy premium or \$60, whichever is greater.

- D. **Non-renewal** is deleted and replaced by the following:

D. Non-renewal

We will not refuse to renew or condition our renewal of this policy except as allowed by the laws of the State of New York. The conditions may include, but are not limited to, amending the limits of liability or reducing coverage not required by law. If we take this action, we will notify you by mail at least 45 days, but not more than 60 days prior to the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

Delivery of such written notice by us to the "insured" at the mailing address shown in the Declarations or at a forwarding address will be equivalent to mailing.

The following Paragraph J. is added:

J. Concealment Or Fraud

We do not provide coverage for the "insured" who, whether before or after a loss, has:

1. Intentionally concealed or misrepresented any material fact or circumstance; or
2. Engaged in fraudulent conduct; relating to this insurance.

All other provisions of this policy apply.